

Hudson Global, Inc.

Form DEFA14A

March 02, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No.____)

Filed by the Registrant ☒ [X]

Filed by a Party other than the Registrant ☐ []

Check the appropriate box:

☐ [] Preliminary Proxy Statement

☐ [] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

☐ [] Definitive Proxy Statement

☒ [X] Definitive Additional Materials

☐ [] Soliciting Material Pursuant to § 240.14a-12

Hudson Global, Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ [X] No fee required.

☐ [] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

☐ [] Fee paid previously with preliminary materials.

☐ [] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2)Form, Schedule or Registration Statement No.:

3)Filing Party:

4)Date Filed:

Page 2 Forward-Looking Statements Please be advised that except for historical information, the comments made during this presentation and in these slides constitute forward-looking statements under applicable securities laws. Such forward-looking statements involve certain risks and uncertainties, including statements regarding the company's strategic direction, prospects and future results. Certain factors may cause actual results to differ materially from those contained in the forward-looking statements, including global economic fluctuations, risks related to fluctuations in our operating results, the ability of clients to terminate their relationship at anytime, competition, limited availability under our credit facilities and our ability to successfully achieve our strategic initiatives and the other risks discussed in our filings made with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this presentation. The company assumes no obligation, and expressly disclaims any obligation, to review or confirm analysts' expectations or estimates or to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Page 3 Strategic Update • On Dec 17, 2017, Hudson announced definitive sale agreements to sell its recruitment and talent management operations in Europe and Asia Pacific to strategic buyers in three transactions • Hudson intends to focus on its growing, global RPO business going forward • Hudson will receive estimated proceeds of \$41.2 million in cash, subject to adjustment at closing • Transactions are subject to the approval of the majority of the outstanding HSON shares • Hudson filed a definitive proxy statement with the SEC on February 13, 2018 seeking shareholder approval for the sale of substantially all of its assets as a result of the proposed transactions • Special meeting of shareholders scheduled for March 20, 2018 at 8:00 a.m. ET to obtain such approval • Expected close at the end of March 2018, subject to shareholder approval and other customary closing conditions

Page 4 Q4 2017: Consolidated Financial Results \$US in Millions, except EPS Revenue + 21% \$121.6 \$100.3 + 16% CC (1) Gross Margin + 14% \$48.7 \$42.8 + 9% CC SG&A - 12% \$46.9 \$41.9 - 7% CC Adjusted EBITDA + 106% \$1.9 \$0.9 + 69% CC Net Income (Loss) (3) NM (\$2.0) (\$0.3) Basic and Diluted EPS (\$0.06) (\$0.01) (1) CC represents constant currency variance. (2) B/W indicates whether the result was better (+) or worse (-) than the comparison period. (3) 2017 Net Income includes \$1.9M of goodwill impairment in China. (4) NM: Not meaningful Q4 2017 Q4 2016 B+ / W- (2)

Page 5 Q4 2017: Hudson Americas \$US in Millions Revenue - 6% \$3.7 \$3.9 Gross Margin - 6% \$3.2 \$3.4 SG&A + 5% \$2.7 \$2.8 Adjusted EBITDA - 12% \$0.5 \$0.6 Adjusted EBITDA, as a % of Revenue 14.1% 15.0% (1) B/W indicates whether the result was better (+) or worse (-) than the comparison period. (2) NM: Not meaningful Q4 2017 Q4 2016 B+ / W- (1)

Page 6 Q4 2017: Hudson Asia Pacific \$US in Millions Revenue + 31% \$77.3 \$59.1 + 28% CC (1) Gross Margin + 22% \$25.0 \$20.5 + 19%
 CC SG&A - 12% \$22.6 \$20.2 - 10% CC Adjusted EBITDA + 546% \$2.4 \$0.4 + 478% CC Adjusted EBITDA, as a % of Revenue 3.1% 0.6%
 (1) CC represents constant currency variance. (2) B/W indicates whether the result was better (+) or worse (-) than the comparison period. Q4 2017 Q4
 2016 B+ / W- (2)

Page 7 Q4 2017: Hudson Europe \$US in Millions Revenue + 9% \$40.6 \$37.3 + 1% CC (1) Gross Margin + 9% \$20.5 \$18.9 + 0% CC SG&A
 - 6% \$18.6 \$17.5 + 2% CC Adjusted EBITDA + 43% \$1.9 \$1.3 + 28% CC Adjusted EBITDA, as a % of Revenue 4.6% 3.5% (1) CC represents
 constant currency variance. (2) B/W indicates whether the result was better (+) or worse (-) than the comparison period. Q4 2017 Q4 2016 B+ / W-
 (2)

Page 8 FY 2017: Consolidated Financial Results \$US in Millions, except EPS Revenue + 8% \$456.7 \$422.7 + 8% CC (1) Gross Margin + 7% \$186.7 \$174.4 + 7% CC SG&A - 2% \$179.8 \$175.9 - 2% CC Adjusted EBITDA + 570% \$6.9 (\$1.5) + 768% CC Net Income (Loss) (3) + 67% (\$2.9) (\$8.8) + 66% CC Basic and Diluted EPS (\$0.09) (\$0.26) (1) CC represents constant currency variance. (2) B/W indicates whether the result was better (+) or worse (-) than the comparison period. (3) 2017 Net Income includes \$1.9M of goodwill impairment in China. FY 2017 FY 2016 B+ / W- (2)

Page 9	FY 2017: Hudson Americas	\$US in Millions	Revenue + 4%	\$16.2	\$15.6	Gross Margin + 6%	\$14.4	\$13.6	SG&A - 2%	\$12.6	\$12.4
Adjusted EBITDA + 52%	\$1.8	\$1.2	Adjusted EBITDA, as a % of Revenue	11.3%	7.8%	(1) B/W indicates whether the result was better (+) or worse (-) than the comparison period.					
				FY 2017	FY 2016						B+ / W- (1)

Page 10 FY 2017: Hudson Asia Pacific \$US in Millions Revenue + 19% \$282.8 \$236.8 + 17% CC (1) Gross Margin + 11% \$93.6 \$84.1 + 9%
 CC SG&A - 7% \$86.9 \$81.5 - 5% CC Adjusted EBITDA + 158% \$6.7 \$2.6 + 136% CC Adjusted EBITDA, as a % of Revenue 2.4% 1.1% (1)
 CC represents constant currency variance. (2) B/W indicates whether the result was better (+) or worse (-) than the comparison period. FY 2017 FY 2016
 B+ / W- (2)

Page 11 FY 2017: Hudson Europe \$US in Millions Revenue - 7% \$157.7 \$170.3 - 4% CC (1) Gross Margin + 3% \$78.7 \$76.7 + 3% CC
 SG&A + 1% \$71.6 \$72.5 + 0% CC Adjusted EBITDA + 68% \$7.1 \$4.2 + 61% CC Adjusted EBITDA, as a % of Revenue 4.5% 2.5% (1) CC
 represents constant currency variance. (2) B/W indicates whether the result was better (+) or worse (-) than the comparison period. FY 2017 FY 2016 B+
 / W- (2)

Page 14	Q4 2017 Global Services Split	Gross Margin	Temporary	Contracting	Talent	Management	Revenue	RPO	Permanent
	Recruitment	RPO	Talent	Management	Permanent	Recruitment	Temporary	Contracting	

Page 15	R017 Global Services Split			Gross Margin	Temporary	Contracting	Talent	Management	Revenue	RPO	Permanent
Recruitment	RPO	Talent	Management	Permanent	Recruitment	Temporary	Contracting	T3%	17%	23%	17%18% 61%
					13%	8%					

Page 16	Q4 2017 Regional Split	Gross Margin	Europe	Asia Pacific	Americas	T2%	U1%	W%	Revenue	Europe	Asia Pacific
			Americas	S3%	V4%	S%					

Page 17 Balance Sheet: Selected Items \$US in Millions December 31, December 31, 2017 2016 Cash \$20.9 \$21.3 Accounts Receivable \$71.9
 \$58.5 December 31, December 31, 2017 2016 Short-term Borrowings \$7.1 \$7.8 Shareholders' Equity \$43.2 \$41.9 December 31, December 31,
 2017 2016 Current Assets \$97.0 \$84.1 Current Liabilities \$60.6 \$50.6 Working Capital \$36.5 \$33.5 Selected Assets Selected Liabilities
 Working Capital

Page 18 Q4 2017: Cash Flow Summary \$US in Millions Net income (loss) \$ (2.0) \$ (0.3) Depreciation and amortization 0.7 0.8 Goodwill and other impairments 1.9 - Stock-based compensation 0.4 0.2 Change in accounts receivable (0.2) 3.0 Change in accounts payable and other liabilities 5.2 2.9 Other 0.0 (1.0) Cash provided by (used in) operations 6.0 5.6 Capital expenditures (0.8) (0.9) Free cash flow 5.2 4.7 Change in net borrowings (repayments) (1.0) 0.2 Purchase of treasury stock (0.2) (0.2) Effect of exchange rates 0.2 (0.8) Change in cash \$ 4.2 \$ 3.9 QTD QTD Dec-17 Dec-16

Page 19 FY 2017: Cash Flow Summary \$US in Millions

Net income (loss)	\$ (2.9)	\$ (8.8)	Depreciation and amortization	2.7	3.1	Goodwill and other
impairments	1.9	-	Stock-based compensation	1.3	1.6	Change in accounts payable and other liabilities
Change in accounts receivable	(7.8)	(0.6)	Change in accounts payable and other liabilities	7.3	(3.3)	
Other	(0.2)	(1.3)	Cash provided by (used in) operations	2.4	(9.4)	Capital expenditures
			Capital expenditures	(1.5)	(2.8)	Free cash flow
			Free cash flow	0.9	(12.2)	Change in net
borrowings (repayments)	(1.6)	5.7	Purchase of treasury stock	(0.9)	(5.1)	Dividends paid -
			Dividends paid -	(3.4)		Effect of exchange rates
			Effect of exchange rates	1.3	(1.3)	Change in cash \$
			(0.3)	\$ (16.3)	YTD YTD	Dec-17 Dec-16

Page 22 Q4 2017 Regional Gross Margin Mix Approximate gross margin mix by product around the globe Temp Perm RPO Talent Mgmt Americas 0%
 0% 100% 0% Asia Pacific 25% 45% 20% 10% ANZ 30% 30% 25% 15% ASIA 0% 80% 15% 5% Europe 10% 50% 10% 30% UK 30% 40% 25%
 5% Cont. Europe 5% 55% 0% 40% Hudson Total 15% 45% 20% 20%

Page 23 Q4 EBITDA Reconciliation EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization. Adjusted EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization, non-operating income, goodwill and other impairment charges, business reorganization expenses and other charges. \$US in Millions Q4 2017 Americas Asia Pacific Europe Corp Total Q4 2016 Americas Asia Pacific Europe Corp Total Revenue 3.7\$ 77.3\$ 40.6\$ -\$ 121.6\$ Revenue 3.9\$ 59.1\$ 37.3\$ -\$ 100.3\$ Gross margin 3.2\$ 25.0\$ 20.5\$ -\$ 48.7\$ Gross margin 3.4\$ 20.5\$ 18.9\$ -\$ 42.8\$ Adjusted EBITDA (loss) 0.5\$ 2.4\$ 1.9\$ (2.9)\$ 1.9\$ Adjusted EBITDA (loss) 0.6\$ 0.4\$ 1.3\$ (1.4)\$ 0.9\$ Business reorg expenses (recovery) 0.0 - 0.1 - 0.1 Business reorg expenses (recovery) 0.0 (0.0) 0.6 0.0 0.6 Impairment of long-lived assets - 1.9 - - 1.9 Stock-based comp expense 0.0 (0.0) 0.0 0.1 0.2 Stock-based comp expense 0.0 0.0 0.1 0.3 0.4 Non-operating expenses (income) 0.1 0.4 0.4 (1.1) (0.2) Non-operating expense (income), including corporate administration charges 0.0 0.2 0.3 (0.5) - EBITDA (Loss) 0.5\$ 0.0\$ 0.3\$ (0.5)\$ 0.3\$ EBITDA (loss) 0.5\$ 0.2\$ 1.5\$ (2.7)\$ (0.5)\$ Depreciation and amortization 0.8 Depreciation and amortization 0.7 Interest expense (income) 0.1 Interest expense (income) 0.1

Edgar Filing: Hudson Global, Inc. - Form DEFA14A

Provision for (benefit from) income taxes (0.5)	Provision for (benefit from) income taxes 0.8	Income (loss) from discontinued ops (0.2)	Income (loss) from discontinued ops 0.0	Net income (loss) (0.3)\$	Net income (loss) (2.0)\$	Hudson Hudson
---	---	---	---	---------------------------	---------------------------	---------------

Page 24 FY EBITDA Reconciliation EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization. Adjusted EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization, non-operating income, goodwill and other impairment charges, business reorganization expenses and other charges. \$US in Millions FY 2017 Americas Asia Pacific Europe Corp Total FY 2016 Americas Asia Pacific Europe Corp Total Revenue 16.2\$ 282.8\$ 157.7\$ 456.7\$ Revenue 15.6\$ 236.8\$ 170.3\$ - \$ 422.7\$ Gross margin 14.4\$ 93.6\$ 78.7\$ 186.7\$ Gross margin 13.6\$ 84.1\$ 76.7\$ - \$ 174.4\$ Adjusted EBITDA (loss) 1.8\$ 6.7\$ 7.1\$ (8.7)\$ 6.9\$ Adjusted EBITDA (loss) 1.2\$ 2.6\$ 4.2\$ (9.5)\$ (1.5)\$ Business reorg expenses (recovery) (0.1) 0.0 0.8 (0.0) 0.7 Business reorg expenses (recovery) (0.0) 0.2 1.4 (0.0) 1.6 Impairment of long-lived assets - 1.9 - - 1.9 Stock-based compensation expense 0.1 0.2 0.2 1.0 1.4 Stock-based compensation expense 0.1 0.1 0.2 0.9 1.3 Non-operating expense (income) 0.4 2.5 1.5 (4.2) 0.2 Non-operating expense (income) 0.2 2.2 1.5 (3.4) 0.5 EBITDA (loss) 0.8\$ (0.3)\$ 1.1\$ (6.2)\$ (4.7)\$ EBITDA (loss) 1.6\$ 2.5\$ 4.6\$ (6.2)\$ 2.5\$ Depreciation and amortization 3.1 Depreciation and amortization 2.7 Interest expense (income), net 0.4 Interest expense (income) 0.4

Edgar Filing: Hudson Global, Inc. - Form DEFA14A

Provision for (benefit from) income taxes 0.7	Provision for (benefit from) income taxes 2.3	Income (loss) from discontinued ops 0.1	Income (loss) from discontinued ops (0.0)	Net income (loss) (8.8)\$	Net income (loss) (2.9)\$	Hudson Hudson
---	---	---	---	---------------------------	---------------------------	---------------

Divider Slides You can also use these divider slides as a “thank you” slide at the end of the presentation THANK YOU
